



# **Headquarters Policy Flash**

**FLASH 2000-05**

DATE: March 7, 2000  
TO: Procurement Directors  
FROM: Office of Procurement and Assistance Policy, MA-51  
Office of Procurement and Assistance Management

SUBJECT: **M&O Contractor Employee Assignments to Washington, DC**

SUMMARY: The attached February 8, 2000 memorandum from the Deputy Secretary regarding M&O Contractor Employee Assignments to Washington D.C. is provided for your information and action as appropriate.

*M 2 Right for*  
Gwendolyn S. Cowan  
Director

Attachment






The Deputy Secretary of Energy  
Washington, DC 20585

**MEMORANDUM**

February 8, 2000

To: Jim Decker, Acting Director for the Office of Science  
Tom Gioconda, Acting Assistant Secretary for Defense Programs  
Carolyn Huntoon, Assistant Secretary for Environmental Management

From:  T.J. Glauthier, Deputy Secretary

Subject: M&O Contractor Employee Assignments to Washington D.C.

The FY 2000 Energy and Water Development Appropriations Conference Report directs the Department to reduce the number of Washington based M&O employees to 270 and to consolidate Washington Contractor offices which have been financially supported by DOE. Currently, 379 employees are assigned to Washington and 13 contractor offices are supported by the Department.

A FY 2000 allocation plan for M&O employee assignments has been developed over the past several months with the Program Offices. The allocations are based on the Programs' technical skill requirement plans, on-going work assignments, and required support for visiting laboratory personnel. The Table included with this memo, establishes the FY 2000 allocations for M&O employee assignments.

You are to direct the Field Office Managers to notify their appropriate contractors to: (1) reassign or terminate the assignment of employees, who are not included on the approved inventory lists within 90 days, or no later than May 15, 2000; and (2) stop claiming all costs associated with these actions immediately upon such reassignment or termination.

DOE Notice 350.5 will be formally amended to state that for costs associated with M&O contractor employees in the Washington DC area to be allowable under their M&O contracts, those employees must be listed on the inventory list. You should direct Field Office Managers to notify the M&O contractors under their cognizance of this change in order that they can be prepared for this formal modification to their contract.

The current lists of approved employees, as well as employees currently in Washington who are *not approved*, are attached. This inventory will be updated as required by the Contracting Officers who administer the M&O contracts from which new assignments to the Washington area are made. However, Program Offices' allocations are not to be exceeded. Stephen Mournighan of the Office of Procurement and Assistance Management, has the responsibility for addressing issues concerning the maintenance of the M&O data base.

The M&O Office Consolidation Plan proposes the termination of 11 to 12 leases in DC and Germantown, with approved personnel occupying these offices to relocate to the Aerospace Building at 901 D Street SW, to DOE office space, or to a possible second off-site office which may be retained to ensure sufficient space. There will be space at these locations to house any approved personnel, not otherwise located in Forrestal and Germantown, and to provide for conferencing space and space for guest users.

Jim Cayce, of the Office of Procurement and Assistance Management will coordinate the termination/co-location effort and will contact the appropriate parties to discuss termination and move dates, and to assist in developing the requirements for each participating contractor. Office leases should be terminated as quickly as possible with the total co-location effort completed by the end of FY 2000, following which only rent for occupancy at approved office spaces will be an allowable cost. The Department will incur termination costs, but these costs will be substantially offset by the savings afforded by the consolidation. Once total costs are determined, further review will be undertaken to determine cost allocations.

I am also requesting that David Klaus lead an effort to streamline the process for determining the FY 2001 allocations with the participation of the Program Offices. This will include the revision of Notice DOE N 350.5, "Use of Facility Contractor Employees for Services to DOE in the Washington Area".

If you have any questions regarding actions required in this memo, please contact Merna Hurd of my staff.

cc: w/o attachments (inventory)

Ernie Moniz  
Gary Falle  
Merna Hurd  
Mike Telson  
David Klaus  
John Angell  
Brook Anderson  
Dan Reicher  
David Michaels  
Robert Gee  
Lawrence Sanchez  
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